

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2015-077-00792R

Parcel No. 221/00219-677-000

Kerry Reeves,
Appellant,

v.

Polk County Board of Review,
Appellee.

Introduction

This appeal came on for consideration before the Property Assessment Appeal Board (PAAB) on December 11, 2015. Kerry Reeves was self-represented and requested a written consideration. Polk County Attorney Christina Gonzalez represented the Board of Review.

Reeves is the owner of a residential, two-story home located at 494 Morning Dove Boulevard, Pleasant Hill. The home, built in 2005, has 2004 square feet of above-grade finish; a full, unfinished basement; an open porch; a deck; and a two-car attached garage. The site is 0.205 acres.

The property's January 1, 2015, assessment was \$211,600, allocated as \$37,900 in land value and \$173,700 to improvement value. Reeves protested to the Board of Review claiming the assessment was not equitable as compared with assessments of other like property; the property was assessed for more than the value authorized by law; and that there was an error in the assessment under Iowa Code sections 441.37(1)(a)(1)(a-c). Reeves' error claim, however, reasserted the claim of over-assessment.

The Board of Review denied the petition. Reeves then appealed to PAAB and asserted the property's correct fair market value is \$195,000.

Findings of Fact

Kerry Reeves submitted the following information to the Board of Review about four comparable properties.

	Year Built	Gross Living Area (GLA)	Grade	Condition	2015 Assessed Value	Sale/List Price	Date of Sale
Subject	2005	2005	3+10	Normal	\$211,600	N/A	
1333 SE 68th St	1888	1864	4+05	Below Normal	\$147,100	\$187,000	Nov-14
4820 Augusta Ln	1999	2522	10-Feb	Below Normal	\$213,500	\$198,600	Sep-14
423 NE 56th St	1993	1792	4+10	Normal	\$181,500	\$155,000	Feb-15
217 SE Sunnyview Dr	2007	2084	3+00	Normal	\$228,000	\$199,000	Listed

Reeves submitted printouts for each of the properties from an unidentified website. While the printouts indicate three of the properties have sold, there is no information in the record to confirm that the transactions were normal sales. Moreover, Reeves did not adjust the sales for differences between them and the subject property to arrive at an opinion of value.

The Board of Review was critical of Reeves' comparable properties. (Ex. A). It notes 1333 SE 68th Street is outside of the city limits, is significantly older, has a lower grade, and is in below normal condition compared to the subject property. The record also indicates this property is on over 5 acres.

The Board of Review also asserts Reeves' remaining properties are lesser quality; however, we note that the record indicates that 4820 August Lane is a higher grade (quality) although its condition is inferior to the subject property.

Lastly, the Board of Review asserted Reeves' comparables are not similarly located. (Ex B.)

Reeves also listed four properties on the appeal to PAAB: 6650 SE 6th Avenue, 305 SE 64th Street, 505 Boulder Ridge Court, and 932 N. Shadyview Boulevard. The appeal form includes the parcel number and presumably the 2015 assessment for each

property. No other information was submitted regarding these properties, and we are unable to determine if they are sufficiently similar for comparison.

The Board of Review relied on five sales in its decision, summarized in the following chart.

	Year Built	Gross Living Area (GLA)	2015 AV	Sale Price	Sale Date	Adjusted Sale Price
Subject	2005	2005	\$211,600	N/A	N/A	N/A
5965 Cardinal Ct	2005	1972	\$243,700	\$293,800	Mar-14	\$259,800
215 SE Wildflower Ct	2006	2317	\$270,200	\$235,000	Dec-15	\$174,000
320 Hawkeye Dr	2005	1826	\$221,400	\$210,000	Jan-13	\$203,600
350 Alexander Cr	1999	2073	\$231,500	\$237,000	Jul-14	\$238,400
360 Hawkeye Dr	2003	1737	\$224,600	\$244,000	Jul-13	\$256,300

All of the properties are listed in normal condition like the subject property, with grades ranging from 2-05 to 3+10. The subject's assessment of \$211,600 falls within the adjusted range of \$174,000 to \$259,800; and below the average adjusted sale price of roughly \$226,400 and median sale price of \$238,400.

Conclusions of Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2015). PAAB is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB considers only those grounds presented to or considered by the Board of Review, but determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. §§ 441.37A(1)(a-b). New or additional evidence may be introduced, and PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if

it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 257 Iowa 575, 133 N.W.2d 709 (Iowa 1965). The six criteria include evidence showing

"(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination."

Id. at 711. The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* The *Maxwell* test may have limited applicability now that current Iowa law requires assessments to be at one hundred percent of market value. § 441.21(1). Nevertheless, in some rare instances, the test may be satisfied.

Although Reeves listed properties for comparison to both the Board of Review and PAAB, the properties first submitted to the Board of Review bear enough differences to indicate they are not reasonable comparables. Regarding the properties

listed on the PAAB appeal, there was not enough information about them to determine whether they were sufficiently comparable for an equity analysis or if they even sold recently.

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(1)(b), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). Reeves submitted five comparable properties. The Board of Review was critical of the sales because they were inferior in condition, quality, and not similarly located to the subject property. We agree. Moreover, Reeves did not adjust the properties for differences to arrive at an opinion of market value for the subject property as of January 1, 2015.

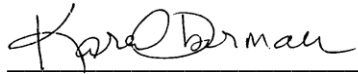
For the foregoing reasons, the Board finds that Reeves failed to show the subject property is over-assessed.

Order

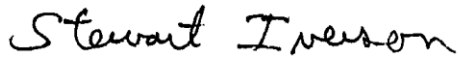
IT IS THEREFORE ORDERED that the Polk County Board of Review's action is affirmed.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2015). Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action. Any judicial action challenging this Order shall be filed in the district court where the property is located within 20 days of the date of this Order and comply with the requirements of Iowa Code sections 441.38; 441.38B, 441.39; and Chapter 17A.

Dated this 8th day of January, 2016.



Karen Oberman, Presiding Officer



Stewart Iverson, Board Chair



Jacqueline Rypma, Board Member

Copies to:

Kerry Reeves

Christina Gonzalez